

**UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION**

In the Matter of:)
)
Stephen A. Miller,)
)
Former)
Institution-Affiliated Party)
of:)
)
First Bank of Sea Isle City,)
Sea Isle City, New Jersey)
(OTS Docket No. 05236))

RE: OTS Order No.: NE00-16

Dated: December 20, 2000

**STIPULATION AND CONSENT
TO ISSUANCE OF AN ORDER OF PROHIBITION
AND AN ORDER TO CEASE AND DESIST**

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed **Stephen A. Miller ("MILLER")**, former auditor of **First Bank of Sea Isle City**, Sea Isle City, New Jersey, OTS No. 05236 ("**First Bank**" or the "**Institution**") that the OTS is of the opinion that grounds exist to initiate administrative cease-and-desist and prohibition proceedings against **MILLER** pursuant to 12 U.S.C. § 1818(b) and 12 U.S.C. §

1818(e);¹ and

WHEREAS, MILLER desires to cooperate with the OTS to avoid the time and expense of such administrative litigation and, without admitting or denying that such grounds exist, but admitting the statements and conclusions in Paragraph 1 below, and with no adjudication on the merits, hereby stipulates and agrees to issuance of an Order containing the following terms:²

1. Jurisdiction.

(a) First Bank, at all times relevant hereto, was a "savings association" within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, **First Bank** was an "insured depository institution" as that term is defined in 12 U.S.C. § 1813(c).

(b) MILLER, as a former auditor of **First Bank**, is deemed to be an "institution-affiliated party" as that term is defined in 12 U.S.C. § 1813(u), having served in such capacity within six (6) years of the date hereof (see 12 U.S.C. § 1818(i)(3)).

(c) Pursuant to 12 U.S.C. § 1813(q), the Director of the OTS is the "appropriate Federal banking agency" with jurisdiction to maintain an enforcement proceeding against institution-affiliated parties. Therefore, **MILLER** is subject to the authority of the OTS to initiate and maintain cease and desist and prohibition proceedings against him pursuant to 12 U.S.C. § 1818(b) and 12 U.S.C. § 1818(e).

¹ All references in this Stipulation and Consent and in the Order of Prohibition and Order to Cease and Desist for Affirmative Relief ("Order") are to the U.S.C. as amended.

² This Stipulation and the accompanying Order do not constitute evidence of or an admission by **MILLER** as to any liability, fault or wrongdoing. Negotiations of the terms of this Stipulation and the Order, including the conduct and statements made in connection therewith, shall not be admissible as evidence, in accordance with Rule 408 of the Federal Rules of Evidence.

2. OTS Findings of Fact and Conclusions of Law. The OTS finds that, during his audits of the financial statements of **First Bank** for the fiscal years ended September 30, 1983 through September 30, 1997, **MILLER** knowingly or recklessly failed to conduct audits of **First Bank** in accordance with generally accepted auditing standards. **MILLER** thereby facilitated and participated in maintenance of inaccurate and incomplete records of **First Bank's** business transactions and submission of inaccurate and incomplete reports to OTS on behalf of **First Bank** by its former president, Linda Black, in violation of 12 C.F.R. §§ 561.2, 561.3, 563.170(c). **MILLER** failed to comply with the American Institute of Certified Public Accountants Code of Professional Conduct in violation of 12 C.F.R. § 562.4. OTS finds that: (a) by his actions and omissions, **MILLER** engaged in violations of the law or regulations, engaged or participated in unsafe or unsound practices, or breached his fiduciary duty to **First Bank**; and (b) as a result of **MILLER'S** actions and omissions **First Bank** suffered a financial loss; and (c) the aforesaid knowing or reckless violation of law or regulations, unsafe or unsound practice, or breach of fiduciary duty demonstrates willful or continuing disregard by **MILLER** for the safety and soundness of **First Bank**.

3. Consent. **MILLER** consents to the issuance by the OTS of the accompanying Order of Prohibition and Order to Cease and Desist for Affirmative Relief ("Orders"). He further agrees to comply with their terms upon issuance and stipulates that the Orders comply with all requirements of law.

4. Finality. The Orders are issued by the OTS under the authority of 12 U.S.C.

§1818(b) and 12 U.S.C. §1818(e). Upon their issuance by the Regional Director or designee for the Northeast Region, OTS, they shall be final orders, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

5. Waivers. MILLER waives the following:

(a) the right to be served with a written notice of the OTS's charges against him (see 12 U.S.C. §§ 1818(b) and (e));

(b) the right to an administrative hearing of the OTS's charges against him (see 12 U.S.C. §§ 1818(b) and (e));

(c) the right to seek judicial review of the Orders, including, without limitation, any such right provided by 12 U.S.C. §1818(h), or otherwise to challenge the validity of the Orders; and

(d) any and all claims against the OTS, including its employees and agents, and any other governmental entity for the award of fees, costs or expenses related to this enforcement matter and/or the Orders, whether arising under common law, the Equal Access to Justice Act, 5 U.S.C. § 504 or 28 U.S.C. § 2412.

6. Indemnification. MILLER shall neither cause nor permit First Bank (or any successor institution, holding company, subsidiary, or service corporation thereof) to incur, directly or indirectly, any expense for any legal or other professional expenses incurred relative to the negotiation and issuance of the Order of Prohibition and Order to Cease and Desist for Affirmative Relief. Nor shall MILLER obtain any indemnification (or other reimbursement) from the Institution (or any successor institution, holding company, subsidiary, or service corporation thereof) with respect to

such amounts. Any such payments received by or on behalf of **MILLER** in connection with this action shall be returned to **First Bank** (or the successor institution, holding company, subsidiary, or service corporation thereof).

7. Other Government Actions Not Affected.

(a) **MILLER** acknowledges and agrees that the consent to the issuance of the Orders is for the purpose of resolving these cease-and-desist and prohibition actions only, and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of **MILLER** that arise pursuant to these actions or otherwise, and that may be or have been brought by any other government entity other than the OTS.

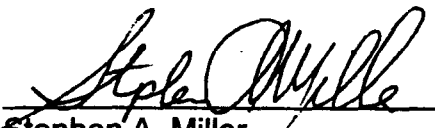
(b) By signing this Stipulation and Consent to Issuance of an Order of Prohibition and Order to Cease and Desist for Affirmative Relief, **MILLER** agrees that he will not assert this proceeding, his consent to the issuance of the Orders, and/or the issuance of the Orders, as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other Federal or state governmental entity.

8. Acknowledgment of Criminal Sanctions. **MILLER** acknowledges that 12 U.S.C. § 1818(j) sets forth criminal penalties for knowing violations of the Order of Prohibition.

WHEREFORE, MILLER executes this Stipulation and Consent to Issuance of an

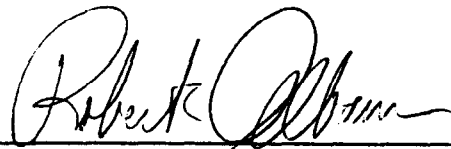
Order of Prohibition and Order to Cease and Desist for Affirmative Relief, intending to be legally bound hereby.

By:


Stephen A. Miller

Dated: 12-4-00

Accepted By:
Office of Thrift Supervision


Robert C. Albanese
Northeast Regional Director

Dated: 12-20-00

ACKNOWLEDGMENT

State of New Jersey
County of Atlantic

On this 4th day of December, 2000, before me, the undersigned notary public, personally appeared Stephen A. Miller and acknowledged his execution of the foregoing STIPULATION AND CONSENT TO ENTRY OF AN ORDER OF PROHIBITION AND AN ORDER TO CEASE AND AN DESIST FOR AFFIRMATIVE RELIEF


Notary Public

My Commission expires:

MOLLY L. PAYTON
A Notary Public of New Jersey
My Commission Expires July 29, 2003

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Before The
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In the Matter of:

Stephen A. Miller,

**Former
Institution-Affiliated Party
of:**

**First Bank of Sea Isle City,
Sea Isle City, New Jersey
(OTS Docket No. 05236)**

RE: OTS Order No. : NE00-16

Dated: December 20, 2000

**ORDER OF PROHIBITION
AND
ORDER TO CEASE AND DESIST**

WHEREAS, Stephen A. Miller ("MILLER") has executed a Stipulation and Consent to Issuance of an Order of Prohibition and Order to Cease and Desist for Affirmative Relief ("Stipulation"); and

WHEREAS, MILLER, by his execution of the Stipulation, has consented and agreed to the issuance of this Order of Prohibition and Order to Cease and Desist for Affirmative Relief ("Orders") by the Office of Thrift Supervision ("OTS"), pursuant to 12 U.S.C. §1818(e) and 12 U.S.C. §1818(b).

NOW THEREFORE, IT IS ORDERED that:

ORDER OF PROHIBITION

1. MILLER is prohibited from further participation, in any manner, in the conduct of the affairs of First Bank of Sea Isle City, Sea Isle City, New Jersey ("First Bank"), and any successor institution, holding company, subsidiary, and/or service corporation thereof.

2. MILLER is and shall be subject to the statutory prohibitions provided by 12 U.S.C. § 1818(e), except upon the prior written consent of the OTS (acting through its Director or an authorized representative thereof) and any other "appropriate Federal financial institutions regulatory agency," for purposes of 12 U.S.C. § 1818(e)(7)(B)(ii), and shall not:

(A) hold any office in, or participate in any manner in the conduct of the affairs of, any institution or any agency specified in 12 U.S.C. § 1818(e)(7)(A), including, but not limited to:

(i) any insured depository institution, e.g., savings and loan associations, savings banks, national banks, state banks, trust companies, and other banking institutions;

(ii) any institution treated as an insured bank under 12 U.S.C. §§ 1818(b)(3) and 1818(b)(4), or as a savings association under 12 U.S.C. § 1818(b)(9), e.g., subsidiaries and holding companies of banks or savings associations;

(iii) any insured credit union under the Federal Credit Union Act, 12 U.S.C. §§ 1781 *et seq.*;

(iv) any institution chartered under the Farm Credit Act of 1971, 12 U.S.C. §§ 2001 *et seq.*;

(v) any appropriate Federal depository institution regulatory agency, within the meaning of 12 U.S.C. § 1818(e)(7)(A)(v); and

(vi) the Federal Housing Finance Board and any Federal Home Loan Bank;

(B) solicit, procure, transfer, attempt to transfer, vote or attempt to vote any proxy, consent, or authorization with respect to any voting rights in any Institution described in 12 U.S.C. § 1818(e)(7)(A);

(C) violate any voting agreement previously approved by the "appropriate Federal banking agency" within the meaning of 12 U.S.C. §§ 1813(q); or

(D) vote for a director, or serve or act as an "institution-affiliated party," as that term is defined at Section 12 U.S.C. § 1813(u), e.g., a director, officer, employee, controlling stockholder of, or agent for, an insured depository institution.

IT IS FURTHER ORDERED that:

ORDER TO CEASE AND DESIST

3. MILLER is and shall be subject to the statutory requirements provided by 12 U.S.C. § 1818(b).

4. MILLER shall cease and desist from providing accounting or auditing services to First Bank.

5. MILLER shall cease and desist from providing accounting or auditing services to:

(i) any insured depository institution, e.g., savings and loan associations, savings banks, national banks, state banks, trust companies, and other banking institutions;

(ii) any institution treated as an insured bank under 12 U.S.C. §§ 1818(b)(3) and 1818(b)(4), or as a savings association under 12 U.S.C. § 1818(b)(9), e.g., subsidiaries and holding companies of banks or savings associations;

- (iii) any insured credit union under the Federal Credit Union Act, 12 U.S.C. §§ 1781 *et seq.*;
- (iv) any institution chartered under the Farm Credit Act of 1971, 12 U.S.C. §§ 2001 *et seq.*;
- (v) any appropriate Federal depository institution regulatory agency, within the meaning of 12 U.S.C. § 1818(e)(7)(A)(v); and
- (vi) the Federal Housing Finance Board and any Federal Home Loan Bank;

FURTHER PROVISIONS APPLICABLE TO BOTH ORDERS

6. The Stipulation is made a part hereof and is incorporated herein by this reference.
7. These Orders are subject to the provisions of 12 U.S.C. §1818(j), and shall become effective on the date they are issued, as shown in the caption hereof. The Stipulation and Orders shall remain in effect until terminated, modified or suspended, in writing by the OTS, acting through its Director, Regional Director or other authorized representative.
8. **MILLER** shall respond promptly, without issuance of a subpoena, to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with these Orders.

OFFICE OF THRIFT SUPERVISION

By:



Robert C. Albanese
Northeast Regional Director